

EXHIBIT 7

30(b)(6) Deposition of Francois Lar

5/14/2007

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

Certified Copy

GABANA GULF DISTRIBUTION,
LTD., A COMPANY ORGANIZED
UNDER THE LAWS OF THE UNITED
KINGDOM, AND GABANA
DISTRIBUTION, LTD., A COMPANY
ORGANIZED UNDER THE LAWS OF
THE UNITED KINGDOM

Plaintiffs,

vs.

NO. C 06 2584 CRB

GAP INTERNATIONAL SALES, INC.,
A DELAWARE CORPORATION, THE
GAP, INC., A DELAWARE
CORPORATION, BANANA REPUBLIC,
LLC, A DELAWARE LIMITED
LIABILITY COMPANY, AND OLD
NAVY, LLC, A DELAWARE LIMITED
LIABILITY COMPANY.

Defendants.

-----/
DEPOSITION OF
FRANCOIS LARSEN

Monday, May 14, 2007

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Reported by: KATHLEEN A. WILKINS, CSR, RPR, CRR
CSR No. 10068

1 Q. I'm trying just to give you a little
2 background.

3 A. Yes.

4 Q. I'm trying to understand what exactly it
5 was you were doing on behalf of Solka prior to your
6 signing Exhibits 4 and 5 to try to sell Gap product.
7 And you've told me some things. I'd like to know if
8 there's anything else that you've left off the list.

9 A. Not that I recall.

10 Q. All right. I'm going to show you what has
11 been marked as Exhibit 7 and 8 in this case.

12 (Whereupon, Deposition Exhibit 7 and
13 Exhibit 8 were marked for
14 identification.)

15 MS. ANDERSON: Q. And Exhibit 7 is a true
16 and correct copy in French of the agreement between
17 Solka and Gabana; is that correct?

18 A. Looks so, yes.

19 Q. Looks like it is, yes, right?

20 A. Yes.

21 Q. You signed that agreement, did you not?

22 A. Yes.

23 Q. And Exhibit 8 before you is a translation
24 of that contract which we had performed and sent to
25 your counsel at the end of last week.

1 A. Yes.

2 Q. Drawing your attention down to the
3 recitals, in recital A you signed an agreement that
4 says, "GABANA manages the exclusive right granted by
5 GAP, Inc., to sell merchandise labeled GAP, Banana
6 Republic and Old Navy."

7 Do you see that?

8 A. Mh-hmm.

9 Q. All right. Gabana didn't manage any
10 exclusive right granted by Gap Inc. at the time that
11 you signed this contract, did it?

12 A. No, it didn't.

13 Q. And drawing your attention to the next
14 paragraph, you signed the contract that says,
15 "GABANA wishes to appoint ROOTS as its exclusive
16 distributor in the territory."

17 Do you see that?

18 A. Yes.

19 Q. Gabana did not have the authority from Gap
20 to designate any party as a distributor in any
21 territory at the time that you signed this contract,
22 did it?

23 MR. LITCHFORD: Object to form.

24 THE WITNESS: On the legal point of view,
25 one could say so.

1 MS. ANDERSON: Q. That -- you would say
2 that my statement was correct from a legal
3 perspective?

4 A. I'm not -- I'm not a lawyer, but, I mean,
5 I would assume that one could say so.

6 Q. There's no contract that you're aware of
7 that granted Gabana the authority to do that at the
8 time that you signed this contract between Gabana
9 and M/S Roots, right?

10 MR. LITCHFORD: Objection. Form.

11 THE WITNESS: Not that I recall.

12 MS. ANDERSON: Q. Okay. And drawing your
13 attention to paragraph D in the recital, you signed
14 a contract that says, "GABANA and ROOTS shall
15 negotiate and conclude a further Franchise Agreement
16 if and when ROOTS is entitled to open and operate
17 retail stores to sell the Products directly to the
18 customers."

19 Did Gabana have the authority under any
20 contract with Gap to grant anybody a franchise --

21 MR. LITCHFORD: Objection.

22 MS. ANDERSON: Q. -- for Gap products?

23 MR. LITCHFORD: Repeat the objection to
24 form.

25 THE WITNESS: This -- the sense of this

1 Q. You couldn't give an estimate?

2 A. No.

3 Q. And among who -- strike that.

4 Among which body of people did you have
5 such an excellent reputation?

6 A. Among the people we dealt with, or that we
7 have come into talk with, negotiate with.

8 Q. When you were working towards selling
9 excess inventory on behalf of Solka prior to signing
10 Exhibits 4 and 5, did you find it difficult to sell
11 the excess inventory?

12 A. One could qualify it, yes, difficult.

13 Q. And so you knew that going into signing
14 Exhibit 4, right?

15 A. Exhibit 4 being the --

16 Q. Excess inventory.

17 A. Yes.

18 Q. Drawing your attention to Exhibit -- to
19 Exhibit 3, on page 3, paragraph 14, you allege, "In
20 early 2003, Gap International represented to Gabana
21 Gulf that if it could quickly find a buyer for the
22 remaining excess inventory, then Gap International
23 would be willing to enter into a wider and more
24 permanent business arrangements with it."

25 Do you see that?

1 A. Yes.

2 Q. All right. Who on behalf of Gap
3 International made that representation to Gabana?

4 A. Jim Bell.

5 Q. When in early 2003 did he make that
6 representation to Gabana?

7 A. Between February and March, April, or I
8 would say February.

9 Q. Who was present when he made that
10 representation?

11 A. Him and me.

12 Q. Was it face to face?

13 A. No.

14 Q. It was over the phone?

15 A. Yes.

16 Q. Was it the phone conversation you
17 described earlier today?

18 A. There were many phone conversations about
19 this subject.

20 Q. Okay. How many conversations on this
21 subject did you have with Jim Bell?

22 A. I don't recall, but I would say that --
23 probably one every two or three days for a certain
24 time.

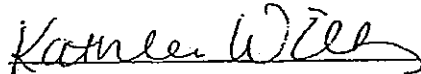
25 Q. This complaint describes the Gap

CERTIFICATE OF DEPOSITION OFFICER

I, KATHLEEN A. WILKINS, RPR, CSR NO. 10068,
duly authorized to administer oaths pursuant to
Section 8211 of the California Code of Civil
Procedure, hereby certify that the witness in the
foregoing deposition was by me sworn to testify to
the truth, the whole truth and nothing but the truth
in the within-entitled cause; that said deposition
was taken at the time and place therein stated; that
the testimony of said witness was reported by me and
was thereafter transcribed by me or under my
direction by means of computer-aided transcription;
that the foregoing is a full, complete and true
record of said testimony; and that the witness was
given an opportunity to read and correct said
deposition and to subscribe same.

I further certify that I am not of counsel or
attorney for either or any of the parties in the
foregoing deposition and caption named, nor in any
way interested in the outcome of the cause named in
said caption.

IN WITNESS WHEREOF, I have hereunto subscribed
by my hand this 24th day of May, 2007.



KATHLEEN A. WILKINS, RPR, CSR NO. 10068